

Personal Care Contracts

Also called personal service support and maintenance contracts, these contracts compensate caregivers for rendering care services when a patient (often a parent) will lack necessities, essential care, aid comfort and support that will affect his quality of life. These personal services may include, for example, monitoring health care, obtaining health care, coordinate living arrangements, interaction with health care providers, shopping, errands, cooking, cleaning, bill paying, laundry, transportation, bathing, dressing, feeding and other activities of daily living, and visiting/socializing. These services may be rendered in a nursing home or while the patient remains independently living in his or her own home.

It is recommended to detail the hours that will be committed. 24/7 care is not generally allowed. This is supplemental care if the patient is in an institution. Additionally, the caregiver must sleep, eat, work, and care for her own family.

Why consider a personal care contract?

In some cases, personal care contracts may be effective planning instruments to preserve personal assets if someone requires institutional care (such as a nursing home). Compensation will not be considered a gift and will not be a Medicaid ineligible transfer.

What is the rate of compensation?

A fair market value of the services provided (in the local market where the patient is located) is recommended to avoid unfavorable Medicaid or tax treatment.

Components of a Contract

1. Identify the parties (caregiver and patient)
2. Identify the duties of the caregiver
3. Define the duration of the contract
4. Define the compensation
5. Signature
6. Date

Best Practices

1. It is not required, but it is advisable to, have a witness to the contract signing process who can later testify to the signatures and the level of assistance needed by the patient.
2. To defend any future challenges to the contract validity or compensation, it is a good idea to keep good records concerning of (1) the transfer of assets in exchange for the personal care contract and (2) services provided.

LAW OFFICES OF TRACY P. JONG

2775 Buffalo Road, Suite 3
Rochester, NY 14624

Phone: (585) 247-9170
Fax: (585) 247-9171
www.RochesterPatents.com